

Message Text

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COMUSJAPAN YOKOTA AB

UNCLAS TOKYO 5493

E.O. 11652: N/A

TAGS: ELAB, JA

SUBJECT: SPRING WAGE NEGOTIATIONS: METAL WORKERS ACCEPT

8-9 PERCENT INCREASE

REF: TOKYO 3450 (NOTAL)

1. WAGE NEGOTIATIONS CLIMAZED IN PRIVATE SECTOR APRIL 13 AS MAJOR STEEL, SHIPBUILDING, AUTO AND ELECTRICAL MACHINERY FIRMS ALL MADE FIRST FORMAL COUNTEROFFERS TO THEIR RESPECTIVE UNIONS. IN RESPONSE TO JAPAN COUNCIL OF METAL WORKERS (IMF-JC) DEMAND FOR AVERAGE WAGE BOOST (INCLUDING AUTOMATIC INCREASE) OF 15 PERCENT, 5 MAJOR STEEL FIRMS, USUALLY THE PACE-SETTERS FOR ENTIRE ECONOMY, OFFERED 8.5 PERCENT OR 13,000 YEN (APPROXIMATELY \$49) MONTHLY INCREASE FOR AVERAGE 35 YEAR OLD WORKERS WITH 12 YEARS EMPLOYMENT WITH FIRM. SHIPBUILDING AND AIRCRAFT FIRMS, WHICH LIKE STEEL INDUSTRY ARE CUTTING BACK ON PRODUCTION, TRANSFERRING EMPLOYEES AND LIMITING OR HALTING NEW RECRUITMENT, RESULT OF CURRENT RECESSION. ALSO OFFERED

ONLY 8.66 PERCENT OR 13,100 YEN WHILE PROSPERING ELECTRICAL MACHINERY AND AUTO FIRMS OFFERED THEIR WORKERS AVERAGE
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9.5 PERCENT (12,277 YEN) AND 9.9 PERCENT (13,100 YEN) RESPECTIVELY. (WAGE BASE LOWER IN AUTOS AND ELECTRICAL MACHINERY THAN IN STEEL AND SHIPBUILDING.) WHILE INDIVIDUAL ELECTRICAL MACHINERY UNIONS MAY CONTINUE EFFORTS, INCLUDING SHORT STRIKES, TO SECURE SLIGHTLY BETTER TERMS, STEEL AND AUTO UNIONS HAVE ALREADY ANNOUNCED THEY WILL CONFORM TO TRADITION OF ACCEPTING MANAGEMENT'S

FIST FORMAL OFFER.

2. STEEL WAGE HIKE IS ONLY FRACTION OF PERCENTAGE POINT HIGHER THAN LAST YEAR'S 8.52 PERCENT INCREASE AND IS LESS THAN STEEL WORKERS PRESIDENT MIYATA'S "ABSOLUTELY FINAL" MINIMUM SATISFACTORY DEMAND MADE LAST WEEK OF INCREASE EQUAL TO FY-1976 9.2 PERCENT RISE IN CPI. NEVERTHELESS, BY ADDING TO INDUSTRY'S 8.52 PERCENT WAGE OFFER 0.4 PERCENT INCREASE IN SHIFT ALLOWANCE AND 0.6 PERCENT INCREASE IN WAGES SUPPOSEDLY RESULTING FROM TAX REBATE WHICH UNIONS WON FROM GOJ IN FY-1977 BUDGET, IMF-JC CLAIMING THAT STEEL WORKERS HAVE ACHIEVED THEIR MINIMUM DEMANDS FOR 1977--INCREASE REPRESENTING AT LEAST MARGINAL IMPROVEMENT IN REAL WAGES. GIVEN CURENT LOW PROFITS AND EXCESS CAPACITY IN STEEL INDUSTRY, STEEL WORKERS APPEAR INDEED TO HAVE SCORED SIGNIFICANT VICTORY IN SECURING WAGE HIKE CLOSE TO THAT OF PROSPERING AUTO INDUSTRY. AS USUAL, POLITICAL CONSIDERATIONS REPORTEDLY DETERMINED SIZE OF STEEL INDUSTRY'S FORMAL OFFER. HARD LINERS IN INDUSTRY WHO ARGUED FOR ONLY 5-6 PERCENT INCREASE (EQUAL TO EXPECTED 1977 RISE IN REAL GNP) OVERRULED BY THOSE WHO CLAIMED THAT ANY OFFER SIGNIFICANTLY BELOW MINIMUM ACCEPTABLE TO MIYATA WOULD DISCREDIT MIYATA IN LABOR CIRCLES AND BADLY DAMAGE HIS EFFORTS TO REGROUP MODERATE LABOR UNIONS INTO SINGLE ORGANIZATION SUPPORTING NON-MARXIST OPPOSITION PARTY. MIYATA'S FACE SEEMS SAVED. RESULT WILL BE SIGNIFICANT INCREASE IN STEEL PRICES IN NEAR FUTURE TO PAY FOR WAGE HIKE.

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3. ATTENTION NOW TURNING TO SOHYO-AFFILIATED TRANSPORT UNIONS, WHO ARE ENGAGING IN THEIR CUSTOMARY ROUNDS OF SHORT STRIKES. WHILE APRIL 8 AND 15 WALKOUTS ON NATIONAL RAILWAYS (JNR) CAUSED LITTLE DISRUPTION, PRIVATE RAILWAY STRIKE IN MAJOR URBAN AREAS APRIL 16-17 AND POSSIBLE NATIONWIDE SHUTDOWN OF JNR APRIL 20-22 WILL UNDOUBTEDLY HAVE GREATER IMPACT. WITH UPPER HOUSE ELECTIONS ONLY THREE MONTHS AWAY, SOCIALIST PARTY CANDIDATES REPORTEDLY URGING THEIR SOHYO COLLEAGUES TO CALL OFF OR SCALE-DOWN TRANSPORT STRIKES SINCE JSP POLITICANS FEAR COMMUTER BACKLASH AT THE POLLS. SHOESMITH

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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